

**Delegation Guidelines For Goods
Expanded Competitive Purchasing Authority**

A. Scope of Authority

1. This purchasing authority is an expansion of the department's base goods competitive purchasing authority. The department must comply with the requirements contained in the Delegation Guidelines for Goods, dated May 2001, as those requirements pertain to the purchase of non-information technology goods over \$25,000, and the August 30, 2002, memorandum from the Delegation Resources Program Manager, Procurement Division (PD), titled "Management Memo 02-19 Impact on Expanded Goods Delegated Purchasing Authority".
2. This purchasing authority is for the acquisition of goods up to and including the amount stated in the purchasing authority approval memorandum. The maximum amount is per transaction, defined as each solicitation or each non-competitively bid transaction. Multiple purchase orders created as the result of a single solicitation shall be considered a single transaction and, therefore, the combination of those purchase orders may not exceed the per transaction maximum.
3. This purchasing authority does not include approval for non-competitively bid (NCB) transactions, unless such approval is stated in the purchasing authority approval memorandum; the limit for these transactions, if applicable, is stated in the approval memorandum. If the purchasing authority approval memorandum does not include authority for NCB transactions, the clauses in these guidelines pertaining to NCB transactions are not to be construed as granting NCB authority.
4. This purchasing authority is not for the acquisition of goods \$25,000 and less. Acquisitions valued at \$25,000 and less must be made under the department's base goods purchasing authority.
5. This purchasing authority is not for the acquisition of goods under Government Code section 14838.5. Procurement of goods under Government Code section 14838.5 must be conducted under the department's base goods purchasing authority.
6. This purchasing authority is not for the acquisition of information technology goods and/or services.
7. This purchasing authority is not for the acquisition of non-information technology services, unless those services are directly related to the goods being purchased and do not constitute the main value of the purchase.
8. Transactions over the limits of this purchasing authority must be submitted to the PD on a Purchase Estimate (Std. 66). Alternatively, the department may request increased purchasing authority by completing and submitting either a Request for Delegated Purchasing Authority or a Request for One-Time Delegation Authority to the Delegation Resources Program, PD. The department must contact the Delegation Resources Program Manager at judy.heringer@dgs.ca.gov or (916) 375-4348, prior to requesting increased procurement authority.

B. Split Orders

Splitting of orders for purposes of circumventing the limits of this purchasing authority is prohibited.

C. Competition

Transactions prepared under this purchasing authority must result from fair and open competition. Solicitations must be prepared in writing and in accordance with the statutory and regulatory requirements set forth in the "Summary of Statutory and Policy Requirements for State Contracts" as contained in the Delegation Guidelines for Goods, dated May 2001 (Guidelines).

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1. In instances where a good of a particular make and/or model is required, a competitive solicitation process must be conducted; however, the competition may be limited to the required make and/or model. The reasons for limiting competition to the particular make and/or model must be thoroughly documented in the department's procurement file, such as why only the specific make and/or model will meet the department's needs, the unique performance factors of the specific make and/or model, what other makes and/or models have been considered, why the purchase is in the best interest of the State, etc.
2. When a competitive bid cannot be conducted, an NCB Contract Justification (Justification) must be prepared. The Justification must be approved by the department director and the agency secretary or immediate next ranking official, in accordance with Management Memo 02-19, and must be retained in the transaction file. The required Justification document is attached and is also available on PD's webpage at www.pd.dgs.ca.gov.

D. Solicitation, Evaluation, and Award

1. Advertising. All solicitations prepared under this purchasing authority must be advertised in the California State Contracts Register (CSCR) for a minimum of ten days. Information regarding the CSCR is available on PD's webpage at www.pd.dgs.ca.gov or by contacting PD's Business Development Unit at (916) 375-4582.
2. Bidder Instructions. The most current version of the State's Bidder Instructions (GSPD-451) must be included in all written solicitations prepared under this purchasing authority. Deletion or alteration of any instruction may not occur without prior PD approval. The department may add any additional instructions required for special needs of an individual solicitation. The State's Bidder Instructions document is available on PD's webpage at www.pd.dgs.ca.gov.
3. General Provisions. The most current version of the State's General Provisions (GSPD-401) must be included in all written solicitations and purchase orders prepared under this purchasing authority. Deletion or alteration of any provision may not occur without prior PD approval. The department may add any additional provision required for special needs of an individual transaction. The State's General Provisions document is available on PD's webpage at www.pd.dgs.ca.gov.
4. Bid Submission Requirements. The solicitation must state the date and time by which bids must be received, and the date and time that bids will be publicly opened. Sealed bids must be submitted by the date and time specified. Bids not received by the date and time specified in the solicitation may not be considered in the bidding process. Bids must be publicly opened and read. Bids must be available for public inspection and evaluation.
5. Award to Other Than Low Bidder. Award must be made to the responsible bidder submitting the lowest bid responsive to all bid requirements. If award is to be made to a supplier other than the low bidder, the low bidder must be notified 24 hours prior to award. Upon request, the award notice must be posted at least 24 hours prior to award. Documentation of the supplier selection rationale used to award to other than the low bidder must be retained in the transaction file.
6. Protest. The solicitation must provide for a protest period and include protest instructions. All protests must be reported immediately (within 24 hours) by mail to Dispute & Protest Resolution Unit, Procurement Division, Department of General Services, 707 Third Street, Second Floor South, West Sacramento, CA 95605 or by phone to (916) 375-4600 or by fax to (916) 375-4614.

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7. Other Approvals. Prior to approval of the purchase document, the department must obtain all required approvals, such as those required from DGS Fleet Administration and Prison Industries Authority.

E. Required Purchase Document

All transactions under this purchasing authority must be prepared using the Contract/Delegation Purchase Order (Std. 65). Order and delivery of goods may not take place until a Std. 65 has been prepared and approved, including verification of funds availability. All transaction changes, including cancellation, must be made by written amendment using the Std. 65. All transactions, including amendments, must include the delegation number, as stated in the purchasing authority approval memorandum, in the "Contract or Delegation Number" box at the top of the Std. 65.

F. Preferences and Goals

1. Small Business. The department must comply with Government Code Section 14835 that directs that a fair share of the State's purchases be awarded to certified small businesses. In addition, Government Code Section 14835 requires that a five percent preference be given to bidders that qualify as a certified small business when the selection is based on cost alone. The department must verify a small business' eligibility by contacting the Office of Small Business and Disabled Veteran Business Certification (OSDC) by phone or by printing the verification from OSDC's webpage at www.pd.dgs.ca.gov and documenting the procurement file.
2. Disabled Veteran Business. The department must comply with Public Contract Code sections 10115.2 and 10115.13 that direct that a fair share of the State's purchases be awarded to certified disabled veteran businesses. If the department intends to require bidders' compliance with the Disabled Veteran Business Enterprise Participation Program, the appropriate language must be included in the solicitation document. The department must verify the disabled veteran business' eligibility by contacting the Office of Small Business and Disabled Veteran Business Certification (OSDC) by phone or by printing the verification from OSDC's webpage at www.pd.dgs.ca.gov and documenting the procurement file.
3. TACPA, EZA, LAMBRA. If the estimated purchase order value is expected to exceed \$100,000, the solicitation document must include the Target Area Contract Preference Act requirements in accordance with Government Code Section 4530, et. seq., the Enterprise Zone Act requirements in accordance with Government Code Section 7084, and the Local Agency Military Base Recovery Area Act requirements in accordance with Government Code Section 7118. PD recommends that the required language be included in solicitations valued at \$85,000 and greater.
4. The maximum preference that a bidder may be awarded for all preference programs combined is fifteen percent and cannot exceed \$100,000.

G. Reporting

1. The department must report all transactions conducted under this purchasing authority on a monthly basis no later than the 10th of the month following the reporting period. Transactions must be reported in **one** of the following ways:
 - Enter the transactions directly into the Procurement Information Network (PIN) **or**
 - Forward a copy of each Std. 65 **or**
 - Forward a monthly summary report of activity conducted under this purchasing authority. A copy of the report is attached and is also available on PD's webpage at www.pd.dgs.ca.gov.

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If the department reports its transactions by forwarding a copy of each Std. 65 or by forwarding a monthly summary report, each Std. 65 **or** monthly summary report must be submitted to Data Capture Unit, Business Management Section, Procurement Division, 707 Third Street, Second Floor North, West Sacramento, CA 95605. Transaction reporting must be batched separately from any other transactions submitted to PD.

2. The department must submit an NCB Contract Quarterly Report reflecting all NCB transactions conducted under this purchasing authority on a quarterly fiscal year basis no later than the 10th of the month following the reporting period to Delegation Resources Program, Procurement Division, Department of General Services, 707 Third Street, Second Floor South, West Sacramento, CA 95605, Attn: NCB Contract Quarterly Reporting. NCB reporting for different purchasing authorities must be submitted separately. A copy of the Report form is attached and is also available on PD's webpage at www.pd.dgs.ca.gov.
3. The department must submit a Late Payment Penalties Paid report annually for the period July 1 to June 30 by September 30 following the reporting period to Prompt Payment Quality Assurance, Acquisition Quality Assurance Program, Procurement Division, 707 Third Street, Second Floor South, West Sacramento, CA 95605, Attn: Late Payment Penalties Paid Reporting. For more information, visit the Procurement Division website at www.pd.dgs.ca.gov.
4. The department must submit a Contracting Activity Report (Std. 810) reporting disabled veteran business and small/micro business participation semi-annually for the period July 1 to December 31 by March 1 following the reporting period and annually for the period July 1 to June 30 by September 7 following the reporting period. Both reports must be submitted to Office of Small Business/DVBE Outreach and Education, Procurement Division, 707 Third Street, Second Floor South, West Sacramento, CA 95605, Attn: Report Coordinator. The annual report must also be submitted to the Governor, the Legislature, and the California Department of Veterans Affairs (CDVA). For more information, visit PD's website at www.pd.dgs.ca.gov.
5. The department must submit an Ethnicity/Race/Gender Business Ownership Report to the Governor and Legislature annually for the period July 1 to June 30 by January 1 following the reporting period. For a sample form that the department may use to construct its own reporting form, visit the Procurement Division website at www.pd.dgs.ca.gov.
6. The department must submit a State Agency Buy Recycled Campaign Procurement Report (CIWMB #71) indicating the total dollar amount of all products the department has purchased in each of 11 reportable categories and the total amount spent on recycled-content products within each of the 11 reportable categories, along with recycled-content certification documentation, to the California Integrated Waste Management Board (CIWMB) annually for the period July 1 to June 30 by September 1 for the reporting period. For more information, visit the California Integrated Waste Management Board's website at www.ciwmb.ca.gov.

H. Billing

The department will be charged a Department of General Services (DGS) administrative fee, in accordance with the DGS Price Book and Directory of Services, to recover the cost of managing the purchasing authority and compliance programs. The fiscal year 2002-03 fee is 1.93 percent, to a maximum of \$35,000, per transaction. For more information, see the DGS Price Book and Directory of Services on DGS' webpage at www.dgs.ca.gov.

I. Installment Purchase Agreements

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The department may make payment for goods by using an installment purchase agreement through PD's GS \$Mart Program. The minimum amount that may be financed is \$100,000. Refer to Management Memo 98-06 for additional requirements of this program. If the department has a need for other types of installment payment plans, the department must receive approval from the GS \$Mart Program in advance so that PD staff can ensure that all tax rules are adhered to and to aid in facilitating the transaction. A copy of all transactions that include financing (whether using the GS \$Mart plan or another approved financing plan), must be forwarded to the GS \$Mart Administrator within 15 days of the transaction date. This process will ensure compliance with the Internal Revenue Service (IRS) Tax Code of 1986 and will negate possible IRS penalty fees assessed against the State and/or the department. More information about the GS \$Mart Program is available on PD's home page, www.pd.dgs.ca.gov or from the GS \$Mart Administrator at (916) 375-4617.

J. Compliance Review

PD will periodically conduct a compliance review of the department's purchasing authority. The compliance review will provide a comprehensive assessment of the department's purchasing program strengths and weaknesses and provide guidance to help maintain compliance with the purchasing authority requirements.